FAIR POLITICAL PRACTICES COMMISSION

Memorandum

To: Chairman Getman and Commissioners Downey, Knox, Scott and Swanson

From: C. Scott Tocher, Commission Counsel
Luisa Menchaca, General Counsel

Re: Advertising Disclosure - Proposed Emergency Amendment to Regulation 18402 and Adoption of Emergency Regulations18450.3 - 18450.5.

Date: December 26, 2001

****

To implement the advertising disclosure requirements enacted by the voters with Propositions 208 and 34, the Commission recently has considered adoption of several regulations. As the March primary election nears, the urgency for regulatory guidance has become apparent to settle certain issues (discussed below) for the regulated community. Counsel for several state ballot measure committees have proposed the Commission adopt at its next meeting emergency regulations to implement several of the advertising disclosure statutes. The proposed emergency regulations, based in part on suggestions from the counsel for the committees, seek to establish rules for advertising disclosure by primarily formed ballot measure committees in the upcoming state primary election in March of 2002. To assist the Commission's deliberations on these regulations, staff analyzes the proposed regulations in light of work the Commission already has done in this area and, where appropriate, makes recommendations to the Commission.[1]

I. EMERGENCY JUSTIFICATION

The advertisement disclosure statutes contain several provisions designed to assure compliance with the requirements. Section 84505 generally warns against creating or using noncandidate controlled committees or nonsponsored committees to avoid, or that result in the avoidance of, "the disclosure of any individual, industry, business entity, controlled committee, or sponsored committee as a major funding source." This section also includes language establishing liability for persons "acting in concert" to achieve such avoidance. Section 84510 actually outlines the enforcement remedies available for a violation of the statutes. In fact, counsel for the committees indicate the need for emergency regulations rests largely on their clients' real concerns about liability to third parties and others if their conduct during the primary election is challenged. In light of the uncertainties facing some committees and in an effort to ensure the public is afforded meaningful adherence to the statutory requirements, staff proposes a regulatory scheme be in place for the March primary election. Staff stresses that because the

[1] Attached to this memorandum as Exhibit A is a set of the proposed emergency regulations. Exhibit B is a copy of the pertinent advertising disclosure statutes. Exhibit C is a draft declaration of a finding of emergency.

proposed regulations are emergency in nature, the Commission will be able to revisit these issues with the benefit of hindsight after the March election. It is critical in the meantime, however, that a regulatory scheme be in place for certain committees in time for the upcoming primary.

II. BACKGROUND

Government Code sections 84501 - 84510[2], added to the Act by Proposition 208, pertain to the disclosure of major funding sources for campaign advertising. These statutes were further amended by Proposition 34 and Senate Bill 34. (See Exhibit B for current language.)

A. Summary of Statutes:

Generally speaking, the statutes comprise two distinct sets of advertising disclosure rules. One set covers disclosure in political advertisements related to *ballot measures.* (§§ 84501-84504.) The second set addresses political advertising that is an *independent expenditure* paid for by a committee, whether the advertisement relates to a candidate or a ballot measure. (§ 84506.) Persons and committees are prohibited from creating or using committees that result in the avoidance of the disclosure of a committee's "major funding source." (§ 84505.) These sections present a complex statutory scheme, resulting in a "layering" of requirements.

1. Definitions in Advertising Disclosure

Section 84501 defines the term "advertisement," which circumscribes the scope of the advertising disclosure scheme set out in sections 84503-84510 by laying the basic foundation for what is being regulated. This definitional section also contains a subdivision excluding certain items and communications from the basic definition of "advertisement."

Another statute, section 84502, defines "cumulative contributions," as that term will be used in section 84503. An important issue is whether the term "cumulative contributions" is to be imputed to section 84504, which imposes a committee name identification requirement on major donors of $50,000 or more without specifying if that amount is "cumulative," or section 84506, which deals with disclosure of the two highest "aggregate" contributors in the context of independent expenditures.

2. Disclosures Required

Sections 84503, 84504, and 84506 require certain disclosures in advertisements. The first two statutes require a disclosure statement in ballot measure advertising. The third, section 84506, includes both ballot measure advertising and candidate advertising in its disclosure requirements. Different information is required in the disclosure statements, depending on which section applies.

[2] All statutory references are to the Government Code, unless indicated otherwise.

Section 84503 requires a disclosure statement identifying any person whose cumulative contributions are $50,000 or more. Subdivision (b) of that statute instructs that if there are more than two such donors, the committee is required to disclose only the highest and second highest donors. Again, this statute only applies to ballot measure advertising.

Section 84504 outlines how a committee must identify itself in its name when advertising in support or opposition of a ballot measure. This section seems to *add* to the requirements found in section 84503 by specifying that a committee identify itself with a name or phrase that "clearly identifies the economic or other special interest of its major donors of fifty thousand dollars ($50,000) or more in any reference to the committee required by law, including, but not limited, to its statement of organization filed pursuant to Section 84101."

Thus far, in ballot measure advertising, these statutes require disclosure of the two highest contributors of $50,000 or more, and committee identification including the economic or special interest of its major donors of $50,000 or more. Section 84504 goes on to require that if the major donors of $50,000 or more share a common employer, the identity of the employer shall also be disclosed in the advertising. The statute further requires that any committee that supports or opposes a ballot measure shall print or broadcast its name as provided in this section as part of any advertisement or *other paid public statement*.

Section 84504 reaches beyond the advertising arena in requiring that a committee name contain certain information *in any reference to the committee required by law*. The section specifies that this includes the committee's statement of organization, filed pursuant to section 84101.

The next section to require a disclosure statement is 84506. This is the first section that seeks to govern both ballot measure advertising and candidate advertising. The common thread here is that this applies to broadcast or mass mailing advertisements, advocating the election or defeat of any candidate or ballot measure, funded by *independent expenditures*. This section adds yet another requirement to some advertising disclosures. "If the expenditure for a broadcast or mass mailing advertisement…is an independent expenditure, the committee…shall include on the advertisement the names of the two persons making the largest contributions to the committee making the independent expenditure. If an acronym is used to specify any committee names required by this section, the names of any sponsoring organization of the committee shall be printed on print advertisements or spoken in broadcast advertisements."

Section 84508 can also be classified as a disclosure statute, although it really serves to limit the scope of the disclosure required under sections 84503 and 84506 to a committee name and its highest major contributor, if the advertisement is of a smaller scale, as specified in the section.

Thus far, then, there are many different name identification requirements for advertising disclosure contained in these statutes, several of which are not mutually exclusive. Rather, they can be viewed as "layered," calling for more and more disclosure information.[3]

3. Technical Implementation of Disclosure Information

One statute within the advertising disclosure scheme sets out the minimum standards for presenting printed statements or broadcast communications so as not to render the disclosure statutes meaningless. Section 84507 requires that "[a]ny disclosure statement required by this article shall be printed clearly and legibly in no less than 10-point type and in a conspicuous manner as defined by the Commission or, if the communication is broadcast, the information shall be spoken so as to be clearly audible and understood by the intended public and otherwise appropriately conveyed for the hearing impaired."

B. Commission Interpretation:

In September and November of 2001, the Commission considered draft regulations pertaining to advertising disclosure. The Commission considered many issues, made several preliminary decisions, and provided guidance on numerous decision points:

- The Commission decided that while member organization communications to their membership are to be excluded from the definition of "advertisement," political party communications to their members are subject to the advertising disclosure statutes and regulations.
- The Commission decided that the $50,000 threshold from sections 84503 and 84504 is applicable to section 84506 as well.
- Language was changed in proposed regulation 18450.1[4] from "persons" to "households" to better reflect the distribution methods associated with mass mailings and phone calls, as requested by the Commission.
- Regulation 18450.1 now contains an option with a much broader approach to the definition of "advertisement," to address Commission concerns.[5]
- Communications made via the Internet were specifically excluded from the definition of "advertisement" while the Commission awaits a report from the Bipartisan Commission on Internet Political Practices.

---

[3] For example, a print advertisement for or against a ballot measure, measuring 30 square inches, which is funded through independent expenditures, must include in the advertisement the committee name (section 84504); the committee name must include a name or phrase clearly identifying the economic or other special interest of its major donors of $50,000 or more (section 84504(a)); the names of the two persons making the largest contributions to the committee making the independent expenditure (84506); if a candidate controls, the controlling candidates name (section 84504(d)); and possibly the name of the common employer, if the two largest contributors share a common employer (section 84504(b)).

[4] This regulation is not presented for consideration in this memorandum.

[5] See footnote 4, *supra*.

- The Commission decided not to include language requiring that advertisements containing inaccurate disclosure information be pulled from circulation.
- The Commission agreed that the provisions of Government Code sections 84501-84511 do not apply to slate mailers, as defined in section 84305.5.

III. PROPOSED EMERGENCY REGULATIONS

A. Summary of Issues Presented:

The proposed emergency regulations present approximately four primary issues for the Commission's determination. First, the proposed regulations, for the most part, apply just to primarily formed ballot measure committees, as opposed to general purpose committees. (Decision 1.)[6] The Commission has heard argument, for instance, that application of some of the advertising statutes to candidate-controlled committees would yield absurd or awkward results. Second, the Commission must decide, both for disclosure and for committee naming purposes, whether and how to define the "economic or other special interests" of committees and large donors. (Decision 4.) This determination will impact how committees disclose in advertisements the interests of their largest donors and also how committees name themselves (and whether such must be amended from time to time). Third, the Commission must decide whether committees must use specific language in advertisements to identify their largest contributors. (Decision 5.) Finally, the Commission must decide the circumstances under which any filings must be amended and the time allotted to do so. (Decision 6.)

B. Summary of Issues *Not* Presented:

For purposes of emergency adoption of regulations in a limited context, staff is not presenting two regulations seen in prior discussions. Specifically, staff has not presented an emergency version of draft regulation 18450.1, defining "advertisement." Also not presented is draft regulation 18450.2, defining "cumulative contributions." The primary reason for postponing further consideration of these two draft regulations is that they are not considered vital to the emergency scheme being presented for the March primary election. For instance, because the emergency regulations are generally limited in scope to ballot measure committees, the complicated issues involved in defining "cumulative contributions" subside. These regulations will likely be presented for the Commission's further consideration at a time after the March election when experience with the emergency regulations may be analyzed.

[6] Decision 2 determines the significance, if any, of the word "identifies" in section 84504. Decision 3 determines whether regulation 18402 shall reiterate the requirements of the relevant statutes.

C. Proposed Emergency Amendment of Regulation 18402 and Adoption of Regulations 18450.3, 18450.4 and 18450.5:

1. Decision 1: Regulations 18402 and 18450.3 – Committee Name Identification:

A primary issue arising from the advertising disclosure statutes is the scope of the committee name identification requirements in the Statement of Organization and in advertising disclosures. These requirements are found primarily in section 84504, Identification of Committee. Subdivision (a) of that statute states:

> "(a) Any committee that supports or opposes one or more ballot measures shall name and identify itself using a name or phrase that clearly identifies the economic or other special interest of its major donors of fifty thousand dollars ($50,000) or more in any reference to the committee required by law, including, but not limited, to its statement of organization filed pursuant to Section 84101."

As the Commission will recall from earlier deliberations, there is a dispute whether this statute is intended to indeed apply to any committee that participates in a ballot measure campaign, or whether, when read in the context of the entire disclosure scheme, this section should apply only to committees primarily formed to support or oppose a ballot measure.[7]

The distinction is an important one. If "any" is read literally, then a candidate-controlled committee that contributes $500 in support of a ballot measure would have to change its name to reflect the economic/special interests of its major donors of $50,000 or more.[8] Thus, the "John Doe for Assembly" committee would be required to file a new statement of organization under a new name identifying the interests of major donors. This name would appear in requisite disclosures of the candidate in contexts unrelated to the ballot measure campaign, as well. It is argued that this would create confusion and spread disinformation to the public because the "major" donors to the candidate-controlled committee would be identified in advertising disclosures related to a ballot measure to which the donors might not have any interest or connection. The same situation arises with respect to a general purpose committee which receives $50,000 or more from several contributors and then becomes involved in a ballot measure election by making contributions to a primarily formed committee. Again, under a literal interpretation, section 84504 requires the committee to change its name to include the economic or special interests of its largest donors, creating an awkward and sometimes redundant committee name, and may subject the committee to an enforcement action if the name

---

[7] A "primarily formed ballot measure committee" is a committee that is formed or exists primarily to support or oppose a single measure, or multiple measures being voted upon in the same city, county, multicounty, or state election. (§ 82047.5.)

[8] In this hypothetical, the amount contributed, $500, is selected randomly. The language of the statute has no threshold defining "supports or opposes." Rather, it appears that any financial support of or opposition to a ballot measure committee is sufficient to bring a committee within the ambit of section 84504.

did not accurately reflect the interests of the committee. By limiting the requirements of section 84504 only to primarily formed ballot measure committees, this problem is largely resolved.

The phrase "any committee that supports or opposes one or more ballot measures" may also be read to refer only to primarily formed ballot measure committees, insofar as that is how the Act identifies a ballot measure committee as opposed to a general purpose committee, to wit: a committee that supports or opposes one or more ballot measures. Given the plausibility of this interpretation and the interpretation above, it may be said that an ambiguity in the statute exists.

At its November 2001, meeting, the Commission indicated its inclination to limit section 84504 to primarily formed ballot measure committees, though a final decision was postponed. Staff believes such a statutory interpretation is within the Commission's interpretative authority.

As set forth above, a literal interpretation of the statutory language as applying to "any committee" arguably would not fulfill the purpose of the statute. The Court, in *Watson v. FPPC* (1990) 217 Cal.App.3d 1059, reiterated the well-settled rule that "[t]he literal language of enactments may be disregarded to avoid absurd results and to fulfill the apparent intent of the framers." In *Creighton v. City of Santa Monica* (1984) 160 Cal.App.3d 1011, the court held that "The words [of an initiative] must be read in a sense which harmonizes [them] with the subject matter and the general purpose and object of the amendment, consistent of course with the language itself." In a comprehensive discussion of the canons of statutory construction, the Court, in *Metropolitan Water District of Southern California, et al. v. The Superior Court of Los Angeles County,* (2001) 2001 WL 1230457 (Cal.App. 2 Dist.) noted that "…consideration must be given to the consequences that will flow from a particular interpretation." The Court said that the final step in statutory construction "…is to apply reason, practicality, and common sense to the language at hand."

By limiting the scope of section 84504 to apply only to primarily formed ballot measure committees, as shown in **Decision 1** of proposed amended regulation **18402** and **Option A** of proposed emergency regulation **18450.3**, awkward results are avoided and the statute is harmonized with other aspects of the Act.

Without the Decision 1 language in amended regulation 18402, the naming requirements of section 84504 would apply to *any* committee, including candidate controlled committees and others. Under this interpretation, the Commission would need to reconcile issues arising with respect to cumulative contributions received by these committees as they name their committees. For instance, the Commission would need to determine how far back in time a committee must look when identifying contributors whose interests must be integrated into the committee's name. That draft regulation, 18450.2, is not presented at this time for consideration.

Recommendation: Staff recommends the Commission **amend regulation 18402 with the language in Decision 1, and adopt emergency regulation 18450.3 with the language in**

Decision 1, Option A. First, even if some doubt exists as to the propriety of a given interpretation, following staff's recommendation takes care of the most pressing need (ballot measure committees) in time for the March primary election. Second, as stated before, because the proposed regulations are emergency regulations, and thus expire 120 days after adoption, the Commission's decision for the March election may be reconsidered and the scope broadened if the Commission decides it is necessary to do so. As the election nears, primarily formed ballot measure committees are gearing up for contests debated primarily through advertising. Staff's recommendation provides immediate guidance to these committees just in time for the campaign and does so in a form that preserves final judgment on larger questions.

2. Decision 2 - Regulation 18402 - Committee Names:

As indicated in the discussion above, section 84504 describes the identification requirements for certain committees. Specifically, section 84504 requires a committee to "name and *identify*" itself using a name or phrase that "*identifies*" the economic or special interests of certain contributors in both advertisements and in its statement of organization. (§ 84504, subd. (a), italics added.) The presence of two mandates in the statute, "name" and "identify," means either one of two possibilities. On the one hand, "identify" may mean nothing. Put another way, its use is merely a legal pleonasm, the superfluous use of more than one word to describe the same thing or requirement. On the other hand, the word may signify something else entirely different from the committee's name, though staff is unable to ascertain what that meaning might be. Because it is possible that others may come forth with a plausible interpretation of the significance of "identify" in the statute when the Commission considers the draft regulation, staff has bracketed this language for consideration. Absent a meaningful justification to keep the language, **staff recommends the Commission delete the bracketed language in Decision 2.**[9]

3. Decision 3 – Regulation 18402 – Committee Names:

Staff has drafted amendments to regulation 18402 to include, in subdivisions (c)(3) through (4), the requirements of subdivisions (d) through (b), respectively, of section 84504. While the proposed subdivisions of the regulation do not clarify the statue, the subdivisions are included for the purpose of completeness, such that all of the requirements of the statute may be found in one regulation. **Staff recommends the Commission adopt the language in subdivisions (c)(3) through (c)(4) of the proposed amended regulation.**

4. Decision 4 – Regulation 18450.3 – Committee Name Identification – Advertisement Disclosure:

Once the Commission has decided the scope of section 84504's requirements, the Commission must decide how a committee must disclose a contributor's "economic or other

[9] The same language is bracketed in the language of subdivision (c)(3) of the same proposed regulation. Staff makes the same recommendation regarding the presence of "and identification" in subdivision (c)(3) as in subdivision (c)(2).

special interest" in its name pursuant to subdivision (a) of that statute. In Decision 4, the Commission is given optional language to describe that disclosure.

Decision 4, Option A is language the Commission has considered in earlier drafts. **Decision 4, Option B** contains language suggested by the ballot measure attorneys. The primary difference in the two schemes is that Option A describes with specificity the type of disclosure required. Subdivision (b)(1) of Option A, for instance, requires a committee to explicitly identify the contributor's product, commodity or service that is "specifically concerned" with the ballot measure in question. The use of the bracketed words "specifically concerned with" is intended to require the committee identification to be related to the particular ballot measure advertisement in question.[10] Because the word "explicitly" is not found in the statute itself, staff has bracketed the language for inclusion in this option. The regulation further breaks down the disclosure requirements based on the type of contributor, i.e., labor organizations versus non-profit entities.

By contrast, the language of **Decision 4, Option B** is more general in nature. For instance, subdivision (b)(1) of the regulation requires the advertisement identify "the economic interest, or other goal or purpose of the contributor that is specifically concerned with the ballot measure in question." Proponents of this language state that the language of this regulation is satisfied if the disclosure identifies the "goal" of the contributors in lieu of their own private interests. Put another way, the "special interest" identified in the statute can be described by identifying the "shared goal" of the contributors – better roads, more teachers, higher cigarette taxes. This is especially true where the economic interest of the donor is far from apparent given the particular ballot measure at hand. For instance, finding the economic interest of a given entity with respect to measures on term limits, open primaries and class-size reduction, or other "good government" measures, may be difficult at best.

In essence, the Commission is called in **Decision 4** to decide the meaning of "economic or other special interest" as it applies in the context of ballot measures. This policy question must be answered based on the Commission's determination as to which version best advances the purposes of the statute. In considering the purpose of the statutory scheme it seems that there is an effort to assure that advertising disclosure more accurately reflects the motivation of the parties funding the advertising. Often this is an economic motive, but it can be a social, environmental, or political motive as well. Perhaps the term "other special interest" was designed as a catch-all phrase to assure that somehow the public should be apprised of the interests held by the money behind the advertising, especially when the advertisement itself does not make it clear who the sponsor might be. On this point, a strong argument can be made that the identification of a major contributor's "economic or other special interest" is given meaning best in version **4A** by explicitly requiring identification of the contributor's economic field. By contrast, under version **4B**, the contributors need be identified only as supporting whatever goal is advanced by the ballot measure.

---

[10] This language also is present in **Option 4B**.

Recommendation: Staff makes **no recommendation** at this time.

5. Decision 5 - Regulation 18450.4 - Contents of Disclosure Statements: Advertisement Disclosure:

Section 84507 states:

> "Any disclosure statement required by this article shall be printed clearly and legibly…and in a conspicuous manner *as defined by the Commission* or, if the communication is broadcast, the information shall be spoken so as to be clearly audible and understood by the intended public…."

This language may be interpreted as allowing the Commission to define both the contents and presentation required of the disclosure statements to assure that the manner in which they are presented is "conspicuous."

The language in **Decision 5, Options 1 and 2,** draw a nexus between the disclosure of the contributor and the contributor's status as a major donor. In this way, the contributor is not merely identified on the screen by a name at the bottom of the screen but also is identified for the viewer as a significant funder of the committee. **Option 1** proposes a short "marker" phrase to identify the reason behind disclosure of the contributor. The language suggested is designed to give committees flexibility. **Option 2** adds additional text, requiring the amount of the contribution be identified either as being $50,000 or more, or, in the alternative, the precise amount contributed. The precise amount may fluctuate during use of the advertisement which may cause a significant burden on committees to amend the advertisements. Therefore, with respect to **Decision point 5a (within Option 2)**, staff recommends the disclosure of contributions of "$50,000 or more."

Option 3 proposes no language be required. Attorneys for the ballot measure committees indicate their belief that the statute requires only that the names of the top two contributors be identified and that identity disclosed on the advertisement. They argue that no disclosure of the donors' status as "major" or otherwise is required. It should be noted, however, that section 84505 prohibits creating or using a noncandidate controlled committee or nonsponsored committee to avoid the disclosure of any individual, business entity or committee as a major funding source. (§ 84505.)

Recommendation: Staff recommends the Commission adopt the language in Option 1. Staff believes the interpretation embodied in Option 3 leaves the disclosure requirement with little meaning and fails to inform the public of the reason for the presence of certain names in an advertisement. By including the reason the contributors are being disclosed (by way of a marker phrase), potential confusion by the public as to the purpose of the disclosure will be lessened or avoided altogether. Staff makes **no recommendation with regard to Option 2**.

6. Decision 6. Regulation 18405.5 - Amended Advertising Disclosure:

Section 84509 requires that advertising be revised to reflect changed disclosure information when a committee files an amended campaign statement pursuant to section 81004.5. Staff has drafted a proposed regulation outlining a timeline within which to amend advertisements to reflect the accurate information.

Proposed regulation 18450.5 requires amendment of advertisement disclosures when: 1) a new or modified description of economic or other special interest is necessary because of a new major contributor, or 2) when the committee's name changes due to a new major contributor. (Proposed Reg. 18450.5, subd. (a).) For broadcast advertisements, the disclosure must be amended within 7 days after a new person qualifies as a disclosable contributor or within 7 days after a committee's name changes. (Proposed Reg. 18450.5, subd. (b)(1).) Staff draws the Commission's attention to bracketed language in subdivision (b)(1) of the proposed regulation, which includes billboard advertisements in "broadcast advertisements." The notion of specifically describing this method of advertisement in this subdivision is based on the belief that disclosures on billboard advertisements may be fixed without having to create an entirely new billboard ad. It is staff's belief that items such as yard signs, bumper stickers and campaign buttons would fall under subdivision (b)(3) of the proposed regulation, which concerns tangible items.

Staff notes that under subdivisions (b)(1) through (b)(3) of the proposed regulation, the disclosure statements must be amended even if the deadline for amendment of the statement of organization (that reflects a name change) has not yet passed. (See fn. 11, *infra*.) In other words, a committee's name changes when the event giving rise to the name change (receipt of a contribution) occurs. While section 84103 provides 10 days (and 24 hour notification to the filing officer during the late contribution period) to amend the statement of organization, in point of fact the name already has changed. Therefore, an order to reproduce a print media advertisement ((b)(2)) or yard sign ((b)(3)) must reflect the accurate committee name *when* the order is placed. For instance, if a committee's name has changed (pursuant to section 84504) because of contributions received two days earlier, the committee must use its new name in the disclosures identified in subdivisions (b)(2) and (3) at the time the orders are placed.

This regulation reflects the concerns voiced at the September Commission meeting regarding the burden presented by requiring amended disclosures on tangible items. The regulation requires amendment of the disclosure to reflect accurate information every time an order to reproduce the items is placed, following the date the amendment of the statement of organization is required to be filed. A committee can use their remaining stock of an item rather than discarding it. This issue, of course, may be revisited by the Commission after the March primary election if it appears abuses have occurred.

Staff notes that Proposed regulation 18450.5 no longer concerns amendment of the statement of organization. The Commission may recall that earlier drafts of the regulation

prescribed the timeline and circumstances for amending the statement of organization when the committee name changes (due, for instance, when the economic interests of its major contributors change). This decision to delete reference to amendment of the statement of organization is based on the fact that this issue is addressed in another statute, section 84103.[11]

Recommendation: Staff recommends the Commission adopt Emergency regulation 18450.5.

7. <u>Decision 7: Finding of Emergency</u>:

In the event the Commission has decided to adopt any or all of the proposed emergency regulations, the Commission must make a finding of emergency which is forwarded to the Office of Administrative Law. Attached as Exhibit C is language constituting a finding of emergency and statement of facts for the Commission's adoption.

Recommendation: Staff recommends the Commission adopt the Finding of Emergency and Statement of Facts.

[11] Section 84103 requires the statement of organization be amended within 10 days to reflect any change of the information contained on it. (§ 84103, subd. (a).) Thus, the statement must be amended within 10 days of receipt of a contribution that gives rise to a new or modified description of the economic or special interests of the committee's major donors, and thus a new name of the committee (pursuant to section 84504). During the late contribution period (16 days before an election), the committee has 24 hours to notify the filing officer that the name of the committee has changed. (§ 84103, subd. (b).)